

State of Alaska FY2008 Governor's Operating Budget

Department of Transportation/Public Facilities Statewide Facility Maintenance and Operations Results Delivery Unit Budget Summary

Statewide Facility Maintenance and Operations Results Delivery Unit

Contribution to Department's Mission

Provide cost-effective, environmentally sound and reliable public facilities.

Core Services

Provide preventative maintenance, routine maintenance, repair work, and minor construction for 643 state facilities totaling over 2,582,400 square feet.

Furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.

Perform or procure contracts for remodeling and repairs required by building occupants or needed to meet changing building codes and new regulations such as the Americans with Disabilities Act.

Provide and procure contracts for major maintenance, including renewal and replacement of worn-out, inefficient and outdated building components, mechanical systems, flooring, ceilings, windows, and window and wall coverings.

End Results	Strategies to Achieve Results
<p>A: Maintain state owned facilities to appropriate department standards.</p> <p><u>Target #1:</u> Increase customer satisfaction with DOT&PF facilities to 80%.</p> <p><u>Measure #1:</u> Percent of customer satisfaction based on survey of customers.</p>	<p>A1: Improve the quality of DOT&PF facilities.</p> <p><u>Target #1:</u> Complete 90% of all work requests on time.</p> <p><u>Measure #1:</u> Percentage of work requests completed on time.</p> <p>A2: Reduce facility operating costs with new technologies and system upgrades.</p> <p><u>Target #1:</u> Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.</p> <p><u>Measure #1:</u> The percentage of annual expenditures specifically for energy saving upgrades.</p> <p><u>Target #2:</u> Increase preventative maintenance on time completion to 90%.</p> <p><u>Measure #2:</u> Percent of preventative maintenance completed on time.</p> <p>A3: Carry out safe DOT&PF operations.</p> <p><u>Target #1:</u> 10% increase in employees successfully completing required safety training.</p> <p><u>Measure #1:</u> Percent of employees completing required safety training.</p>

Major Activities to Advance Strategies

- Expand use of Facility Maintenance Management System
- Continue to install energy savings devices
- Conduct safety training and audits - work with Department of Labor and Workforce Development

FY2008 Resources Allocated to Achieve Results

FY2008 Results Delivery Unit Budget: \$19,507,100

Personnel:

Full time	69
Part time	7
Total	76

Performance Measure Detail

A: Result - Maintain state owned facilities to appropriate department standards.

Target #1: Increase customer satisfaction with DOT&PF facilities to 80%.**Measure #1:** Percent of customer satisfaction based on survey of customers.

Customer Satisfaction

Year	YTD Total
2005	85%
2006	83%

Results are reported on a calendar year basis.

Analysis of results and challenges: DOT&PF managed facilities are used not only by department personnel but also by many of the other state departments. An annual survey is conducted of state facility occupants. The positive result from this survey indicates that the occupants of state facilities managed by DOT&PF are satisfied with the services provided by the department. The drop in FY06 in customer satisfaction may be due to slower response times to customer complaints. Crews have been working diligently on deferred maintenance projects and emergency work requests repairing damage from vandalism, floods, and lightning strikes.

We believe that our state customer satisfaction is linked to the customer service attitude of facilities staff and the development of user agreements that identify the expected level of service for the building occupants. The department receives numerous compliments from user agencies after this work is completed. Our goal is to continue to achieve satisfactory ratings from other agencies and provide useful work environs for state agencies.

A1: Strategy - Improve the quality of DOT&PF facilities.

Target #1: Complete 90% of all work requests on time.**Measure #1:** Percentage of work requests completed on time.

Percentage of work order requests completed timely

Fiscal Year	YTD Total
FY 2005	85%
FY 2006	69%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: Tracking work order completion rates is a useful tool for managers to determine how long it takes to complete the work requested. The reduction in timely completion this year can be attributed to crews working on numerous deferred maintenance projects. The legislature funded long standing deferred maintenance needs so the facilities group used contracted forces and in-house forces to address these projects. This effort took priority. Facilities crews were also short staffed, it is becoming more difficult to attract and retain skilled personnel to state employment. For facility maintenance there are three work priorities, emergency or urgent, routine, and scheduled preventative maintenance. On time completion means within 24 hours of notification of emergency or urgent type work orders. For routine work orders, we discuss the work needed with the requestor and provide an expected completion date. That date is entered into the maintenance

database as the scheduled completion date. Anything that is completed prior to or by the expected completion date is considered completed "on time". Preventative maintenance tasks are prescheduled work orders and are set up by frequency, i.e. monthly, quarterly, annually, etc.

A2: Strategy - Reduce facility operating costs with new technologies and system upgrades.

Target #1: Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.

Measure #1: The percentage of annual expenditures specifically for energy saving upgrades.

Expenditures for Energy Saving Upgrades

Fiscal Year	YTD Total
FY 2005	2.9%
FY 2006	4.2%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: Increasing expenditures in energy conservation measures are extremely important in light of energy cost fluctuations and increases. High efficiency lighting, direct digital control systems for environmental control, building envelope insulation upgrades, occupancy sensors for lighting and HVAC control, and high efficiency window and door systems all contribute to reducing energy consumption. Due to the fluctuations in energy costs and variations in weather patterns, it would require substantial new resources to accurately track true savings performance. Since there is a recognized correlation, the measure of expenditures for energy upgrades as a performance assessment is valid.

Target #2: Increase preventative maintenance on time completion to 90%.

Measure #2: Percent of preventative maintenance completed on time.

Percent of preventative maintenance completed timely

Fiscal Year	YTD Total
FY 2005	95%
FY 2006	84%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: The Facilities Maintenance Management System is automatically generating preventative maintenance (PM) schedules. PMs are prescheduled work orders and are set up by frequency, i.e. monthly, quarterly, annually, etc. An annual schedule is developed for all the equipment requiring PMs based on the manufacturers recommendations. This is proving to be a valuable tool as crews are receiving reminders and schedules for PM work. Timely PM's will result in reduced breakdowns, crew call outs and replacement costs.

The reduction in timely completion for FY06 can be attributed to crews working on numerous deferred maintenance projects. The legislature provided funding for long standing deferred maintenance needs so the facilities group used contracted forces and in-house forces to address these projects. This effort took priority. Facilities crews were also short staffed, it is becoming more difficult to attract and retain skilled personnel to state employment.

A3: Strategy - Carry out safe DOT&PF operations.

Target #1: 10% increase in employees successfully completing required safety training.

Measure #1: Percent of employees completing required safety training.

Percent of employees completing required safety training

Fiscal Year	YTD Total
FY 2005	100%
FY 2006	100%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: 100% attendance at safety meetings and required training is outstanding. Both the crews and the management of Facilities Maintenance realize the importance of a safe work environment and undertook the initiative to promote safety seriously. This measures mandatory first aid, CPR and safety meeting attendance.

Key RDU Challenges

New facilities are added to the inventory without fully funding their operation and maintenance. The department is forced to assume the underfunding out of existing budgets. The continuing escalation in fuel prices and utility costs results in a larger percentage of the budget being spent to cover these costs, reducing the amount available to cover routine and preventative maintenance items. This results in accelerated deterioration and an increasing deferred maintenance backlog. As our public facilities continue to age, Facilities Maintenance and Operations is confronted with an increasing list of deferred maintenance repairs. Other demands include the burden of new laws and regulations. The cost of outsourcing portions of the maintenance work to contractors continues to rise as rates for skilled tradesmen increases. Conversely, it is becoming more difficult to attract and hire qualified journeyman as the pay and benefits are better elsewhere.

The baseline values in the budget for fuel and utilities are based on the FY05 budget. These values need to be increased to accurately reflect existing costs. Otherwise the department will require a supplemental budget to cover these basic needs.

Capital funding for major repairs, renewal and replacement of obsolete systems in facilities is inadequate to meet current needs and reduce the accumulated maintenance backlog. Our list of deferred maintenance projects is currently at \$34.5 million and continues to accumulate.

Significant Changes in Results to be Delivered in FY2008

We may again see a reduction in on-time completion rates for work requests and a decline in customer satisfaction as facilities specialists take over additional new facilities without a corresponding increase in manpower to maintain those facilities.

Funds are included in this budget request to cover the increased cost of utilities, risk premiums, and commodities associated with facilities currently in the inventory.

Major RDU Accomplishments in 2006

- Actively participated in the partnering agreement and inspection of maintenance stations across the state with the Alaska Department of Labor and Workforce Development – Alaska Occupational Health and Safety (AkOSH) to promote a safe work environment and safe operations.
- Replaced roof and insulation at the Soldotna Sand Storage facility and Anchorage State Equipment Fleet (SEF) Maintenance Shop.
- Replaced roof at the Ninilchik and Kalsin Bay Highway Maintenance Stations and Valdez Combined Facility.
- Replaced lighting in the Bethel Maintenance Shop.
- Replaced fire alarms in the Anchorage Aviation Headquarters (HQ) building.
- Replace boilers in the Anchorage Public Safety HQ building.
- Installed new energy efficient lights at the Anchorage Annex, Anchorage Aviation HQ and the Public Safety HQ.

Renovated employee housing at Cold Bay.

- Installed new insulated overhead doors and a new ready line at Chulitna Highway Maintenance Station.
- Replaced fuel dispensing tanks at Cold Bay, Seward, Quartz Creek, Ninilchik, and Dutch Harbor.
- Continue the installation of energy saving projects including replacement of overhead doors, roofs, and heating and ventilation upgrades in 7 state buildings (Valdez Courthouse, Nome SEF Shop, Chandalar Shop/Snow Removal Equipment Building (SREB), Montana Creek Bunkhouse, Fairbanks Material Lab, Fairbanks Large Warm Storage, and the Fairbanks Warm Storage).
- Upgraded septic systems at the Healy and Cantwell maintenance shops to meet state codes.
- Completed the construction of the new Chandalar Shop/SREB.
- Completion of Material Lab addition including boiler and DDC upgrades.
- Construction of new Cordova City Airport Shop/SREB.
- Contracted design services, procured construction contract and managed construction on the Juneau Pioneers' Home roof replacement (for Department of Health and Social Services).

Contact Information

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**Statewide Facility Maintenance and Operations
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2006 Actuals				FY2007 Management Plan				FY2008 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<u>Formula</u>												
<u>Expenditures</u>												
None.												
<u>Non-Formula</u>												
<u>Expenditures</u>												
Central Region	4,287.0	0.0	1,783.2	6,070.2	4,466.8	0.0	1,437.3	5,904.1	5,418.1	0.0	1,469.2	6,887.3
Facilities												
Northern	6,575.3	36.6	3,186.1	9,798.0	6,972.4	177.0	3,183.1	10,332.5	7,843.6	187.2	3,145.8	11,176.6
Region												
Facilities												
Southeast	1,013.9	0.0	215.9	1,229.8	1,033.4	0.0	279.0	1,312.4	1,164.2	0.0	279.0	1,443.2
Region												
Facilities												
Totals	11,876.2	36.6	5,185.2	17,098.0	12,472.6	177.0	4,899.4	17,549.0	14,425.9	187.2	4,894.0	19,507.1

**Statewide Facility Maintenance and Operations
Summary of RDU Budget Changes by Component
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	12,472.6	177.0	4,899.4	17,549.0
Adjustments which will continue current level of service:				
-Central Region Facilities	-207.2	0.0	0.0	-207.2
-Northern Region Facilities	-204.6	0.0	0.0	-204.6
-Southeast Region Facilities	0.4	0.0	0.0	0.4
Proposed budget decreases:				
-Northern Region Facilities	0.0	0.0	-142.3	-142.3
Proposed budget increases:				
-Central Region Facilities	1,158.5	0.0	31.9	1,190.4
-Northern Region Facilities	1,075.8	10.2	105.0	1,191.0
-Southeast Region Facilities	130.4	0.0	0.0	130.4
FY2008 Governor	14,425.9	187.2	4,894.0	19,507.1